TEXAS-LOUISIANA PETROLEUM RECORD AND

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THE TRUTH AND NOTHING BUT THE TRUTH CONCERNING THE BEAUMONT FIELD AND OTHER SOUTHWESTERN OIL FIELDS

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SALT WATER AT HUMBLE

Production Declined in Ten Days from 93,000 Barrels to Less than 25,000 Barrels—Some of the Largest wells, Including the Beatty No. 2 and the Moonshine Nos. 9 and 11, Stopped Flowing—Summaries of the Field from March 12 to March 15 Show an Improvement in the Situation, Due to the Coming in of New Wells. House & Betty No. 3 and the Commonwealth No. 1 Start Off with Large Output, but the Former Shows Water—Operators Rushing Over to the East Side—Two Advances in Crude Prices Within a Week.

There has been a marked change in the situation at Humble since March 1. Salt water has appeared in quantities sufficient to drown out some of the wells which were among the largest producers in the field. The daily output decreased in ten days from 93,000 barrels to less than 25,000 barrels, causing a suspension of work on most of the earthen storage which was building, and giving the operators a bad attack of cold feet. Within the last few days conditions have improved and there has been an improvement in production. On March 16 it was estimated that the field was making between 35,000 and 40,000 barrels. The increase is attributed largely to the House & Beatty No. 3 well, on lot 19 of the Long subdivision, which came in on the 15th, and started off at the rate of 700 barrels an hour. It began to show water, however, and on the 17th was making from 20 to 25 per cent water. Its production of oil on the same day was estimated at 6,500 to 7,500 barrels.

Water in Long Tract Causes a Rush to East Side.

The appearance of water in large quantities in the Long tract has caused a rush to the east side of the field, known as the D. B. Cherry subdivision, where the Wood & Fondren No. 1 is located. This is one of the best producers in the district, having made about 6,000 barrels a day at the start-off, with no water. It is now doing 4,500 barrels. In this territory several good wells have been completed within the last few days. The Commonwealth Oil Company brought in its No. 1 on the 16th, and it filled a 1,200 barrel tank in less than three hours. On the 17th it was making 7,000 barrels. This well is located 300 fete north of the Wood & Fondren No. 1. The Batson Oil Company's No. 1 came in on the 16th and is credited with a production of 1,200 to 2,000 barrels. It is 100 feet north of the Wood & Fondren well.

Some of the Wells Which Have Gone Dead.

Among the big wells which have ceased flowing in the last two weeks are the Beatty No. 2, which was the first gusher brought in at Humble; the Moonshine Nos. 4, 8, 9 and 11, whose combined production on March 1 was estimated at 15,000 barrels; the Hughes-Abercrombie No. 1, which was making 1,900 barrels; the Texas-Kentucky No. 1, a well which came in good for 6,000 barrels, but was shut in and later developed into a salt water producer; the Higgins Oil & Fuel No. 4, estimated at 1,100 barrels on March 1; the Beatty No. 3, credited with 4,400 barrels on March 1; the Hamilton No. 1, which was reported to be making 2,500 barrels and the Drillers Oil Company No. 1, which made 1,800 barrels of oil and considerable water from the beginning.

A number of wells, drilled in since the first of the month, have either refused to flow or have shown salt water in quantities sufficient to drown out whatever oil might have been produced by them. Among these are the Butt In Oil Company's No. 1, the Hoge & Sinclair No. 1, the Moonshine No. 10 and the Ninety-nine Pumping Company No. 1.

Producing Wells Completed Since March 1.

Producing wells completed since March 1 are as follows: Bass Special No. 4, estimated at 500 barrels; C. D. Reeves (Daddy Oil Company) No. 1, estimated at 2,500 barrels; East Texas Oil Company (M. Marx & Co.) No. 1, estimated at 500 barrels; Lake Development Company No. 1, estimated at 1,000 barrels; Batson Oil Company (Brice & Bradley) No. 1, estimated at 1,500 barrels; House & Beatty No.

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3, estimated on March 17 at 7,000 barrels; Commonwealth No. 1, estimated on March 17 at 7,500 barrels. On March 17 the Edgar No. 1, the Beatty No. 5 and the Wood & Fondren No. 2 were bailing.

Water Appeared on the Anniversary of the "Flood" at Batson.

It is a coincidence that water appeared at Humble in large quantities on the anniversary of the same development at Batson. On March 3 and 4, 1904, when Batson had attained a production of 151,000 barrels a day, salt water showed up in the Knight survey, and production decreased rapidly from that time on. At Humble the water scare started on the morning of March 3, when the briny fluid developed in noticeable quantities in the Higgins No. 5 well. Humble had produced about 93,000 barrels on March 2. The next day saw the beginning of a severe decline. On March 13 the low level was reached, the production having fallen to less than 25,000 barrels.

Summary of Humble on March 12.

On March 12 a summary of the field showed the following wells producing approximately the amount stated after each one:

Paraffine No. 1—5,200 barrels; showing water.

Big Hill Oil & Fuel Company No. 1—1,200 barrels; showing water.

Moonshine Nos. 9 and 10—5,100 barrels; showing water.

Hughes-Gillespie No. 1—1,800 barrels; no water.

Hughes-Enterprise No. 1—1,100 barrels; no water.

Hughes-Producers No. 4, on the Eckols—2,600 barrels; no water.

Wood & Fondren No. 1—4,500 barrels; no water.

Landry Oil Company (Landry & Fondren) No. 1—500 barrels; no water.

House & Beatty No. 1—2,700 barrels; no water.

Rio Bravo No. 1—2,000 barrels; no water.

Beatty Nos. 2, 3 and 4—10,000 barrels; showing water.

Producers-Quay No. 1—600 barrels; no water.

Sunset No. 1—500 barrels; no water.

Bass Special No. 4—500 barrels; no water.

Total estimated production, 38,300 barrels.

Production Went Below 25,000 Barrels on March 13.

On the following day there was a big drop in the field's output, due to the stopping of all the Moonshine wells and all of Beatty's. On this day the production was between 22,600 and 25,000 barrels. The Beatty No. 2 was bailed and flowed for a while, but went dead later in the day. The Moonshine Company stopped drilling on its Nos. 12, 13 and 15, near the Nos. 9 and 10, and began pulling out. The Prather well quit, and things looked about as blue as a fireman's shirt.

Improvement on March 14.

The coming in of new wells on the east side helped matters on the 14th. On this day a summary of the field showed the production approximately as follows:

Reeves No. 1—2,000 barrels.

Lake Development No. 1—1,000 barrels.

Paraffine No. 1—3,800 barrels.

Beatty No. 3—2,700 barrels.

Bass Special No. 4—500 barrels.

Higgins Oil & Fuel No. 3—250 barrels.

Hughes-Gillespie No. 1—2,000 barrels.

Hughes-Enterprise No. 1—1,100 barrels.

East Texas No. 1—1,300 barrels.

Producers-Quay No. 1—400 barrels.

Producers-Hughes-Moonshine No. 1—3,500 barrels.

Rio Bravo No. 1—1,800 barrels.

Big Hill Oil & Fuel No. 1—1,300 barrels.

Sunset No. 1—400 barrels.

Wood & Fondren No. 1—4,700 barrels.

House & Beatty No. 1—2,800 barrels.

Total estimated production, 29,550 barrels.

Much Activity in the Cherry Tract.

On the 15th the field showed very little change, the production being estimated at 1,000 barrels less than it was on the 14th. Operations were summarized on the 15th as follows:

West side of the field—Wells producing, 1 (Hughes); drilling, 7; rigs up for new wells, 7.

Southwest side—Wells producing, 1 (Rio Bravo); drilling, 4; rigs up, 2.

East side (Cherry subdivision)—Wells producing, 6; drilling, 27; rigs up, 15.

South of the Long subdivision—Wells producing, 2; drilling, 9; rigs up, 3.

Salt Water Has Been in the Field from the Start.

It has developed, since the salt water became so troublesome, that most of the operators had knowledge of the existence of a small percentage of water in the Beatty No. 2 from the first week after it came in, two months ago. A report was circulated at the time concerning the salt water, but it was vehemently denied by those who were approached on the subject, the land market then being considered more important than the oil market.

The first water in the field showed on Barrett No. 3, on the hill, in the Eckols tract. This well never became a producer. It was drilled too deep, and encountered the water sand. The next showing of water came in the Beatty No. 2, which has since quit flowing, after producing nearly 500,000 barrels of oil.

Heywood Well Caught Fire.

The Higgins Oil & Fuel Company, operating on the Weed subdivision, on the south side of the field, got plenty of water in its No. 3, but it was the deluge which came in the Higgins No. 5, completed on February 25, which started the ball rolling in good shape on the salt water scare. On March 2 this well was making 25 to 30 per cent of water, and on the following day the production was 2,000 barrels of water and a like amount of oil. On the 10th the Heywood Oil Company's well, on the Weed, adjoining the Higgins property, blew out and the gas caught fire, necessitating the shutting in of Higgins No. 5. It has not been opened up since that time. On March 17 the gas well was still burning. It was reported that President Tyrrell had Harry Decker, inventor of the blow preventer used with such success in Humble, that he could have the well if he would put the fire out. The drilling rig in the well, belonging to W. W. Fondren, was destroyed. The Heywood Company's loss was trifling.

Higgins Company Drilling Its Seventh Well.

The Higgins Oil & Fuel Company has had about the average luck at Humble. It has drilled five wells, two of which—the Nos. 1 and 2—developed into gassers, and three developed salt water. The Nos. 6 and 7 are drilling and the former is ready to be bailed but the fire at the Heywood well has delayed this operation. The company has taken about 100,000 barrels of oil out of its Humble well. It was fortunate in getting land at a cheap figure, but its drilling operations have been expensive and it will have to develop a large production to pay out its investment in the field.

Moonshine Company has Poor Luck.

The Moonshine Company has completed twelve wells and has drilled for a time on three others. On March 16 this company had a total of 240 barrels of production, this coming from its original No. 1. At one time the Moonshine Company had 25,000 barrels production.

Two Advances in Crude Prices.

Salt water has helped prices. On March 10 the Texas Company posted

an advance of 2 cents on all quotations, making the figures on credit balances 18 cents at Humble, 24 cents at Batson and Saratoga, and 26 cents at Sour Lake. On March 17 this company posted another advance advance of 2 cents on Humble, Saratoga and Batson oil and an advance of 4 cents on Sour Lake oil, making the quotations 20 cents, 26 cents and 30 cents. This company has posted its Humble pipeage rates, the charge being 22 cents to Sour Lake; 25 cents to Beaumont and 27 cents to Port Arthur. It was reported on the 17th that 20 cents had been refused for the production of one of the good flowing wells at Humble.

Steps Taken to Check the Flow of Water.

An effort is being made by C. E. Barrett, inspector of the field, to compel operators to plug all salt water wells, and to shut off the salt water in the wells that are showing it in large quantieies. It is understood that he will proceed through the courts. Drilling at Humble has demonstrated the presence of water both above and below the oil sand. In the Barrett No. 3 the water was obtained below 1,200 feet, and this was also true of the Texas-Kentucky No. 1. The Higgins No. 5 was plugged, but water continued to show up, indicating that it was flowing in from above. One operator explains the drowning out of the wells on the theory that the weakening of the gas pressure permits water to come down outside the casing, from a higher level than the oil sand. So long as the gas pressure is strong it keeps the water out. The opening up of a more prolific oil sand than has yet been developed would not be a surprise to operators, despite the salt water. It is believed that the drilling operations now under way will keep the production up to the present figure for a time, and the bringing in of a number of wells on the east side may swell it to 50,000.

Oil in Storage and Tankage.

A summary of tankage completed at Humble on March 10, with estimates of oil in storage on that day, follows:

Name.	Bbls. in Storage.	Tankage Completed.	Bldg.
J. M. Guffey Petroleum Company	240,000	625,000	500,000
The Texas Company	324,000	924,000	450,000
D. R. Beatty	200,000	350,000	400,000
Higgins Oil & Fuel Company	50,000	290,000	
Paraffine Oil Company	160,000		50,000
Rio Bravo Oil Company		175,000	
Hamilton		125,000	50,000
United Oil & Refining Company		50,000	
Mutual Storage Company		200,000	
Landslide Oil Company		350,000	
C. D. Reeves		80,000	
Keister & Cherry			100,000
J. M. Abbott Oil Company			*100,000
Totals	974,000	3,139,000	1,650,000

*Work had been suspended on this tank on March 10.

NOTE—The tankage in which oil is stored—974,000 barrels—is included in the statement of tankage completed, making the total of completed tankage 3,139,000 barrels in which there was stored on March 10, some 974,000 barrels. Of the completed tankage, 84,000 barrels is steel, belonging to the Texas Company. The Guffey Company and the Higgins Oil & Fuel Company are building steel tankage.

TANK CAR SHIPMENTS OF HUMBLE OIL IN FEBRUARY.

Shipments of oil by tank cars from Humble, via the Houston, East & West Texas Railroad during the month of February amounted to 951 cars or 270,758 barrels, about half of which went to the Southern Pacific and Santa Fe railroads for their own use and the balance to fuel consumers in Texas. In the summary of shipments published in the Oil Investors Journal of March 3 the Humble tank car movement was estimated at 300,000 barrels. The verified report shows that this estimate was about 30,000 barrels in excess of the actual amount shipped.

NOTHING NEW FROM THE CADDO DISTRICT.

No developments are reported from the Caddo district, near Shreveport. The Producers Oil Company of Beaumont has taken the lead in the matter of securing leases and this company now has four derricks up, two on the east side of the railroad on the Nunnally & Richardson property and two on the west side, one on the Nunnally & Richardson and the other on the Caddo Oil & Mining Company's land.

It is the intention of the Oil Investors Journal to prepare a complete review of the Caddo district and to describe operations there in detail in the next number of the paper.

NEW SPINDLETOP WELLS EXTEND PROVEN TERRITORY TO THE WEST.

Developments of the past week have proved the Spindletop field as far west as the Sabine and East Texas right of way. Two wells have been brought in, both flowing. The first to come in was that of Nelson, Gordon and Parks. It is a strainer well and is between 950 and 1000 feet deep. In the absence of tanks the oil was allowed to flow into the slush pit at first, and the well looked as if it might be making 400 or 500 barrels. The Sun Pipe Line contracted the output and laid a line to the well on the 15th. It is reported that the first day's run was about 200 barrels. The well continues to flow. It is on leased land.

The Nelson, Gordon and Parks location is about a quarter of a mile south of Gladys station on the Sabine and East Texas. The Guffey well, known as Gladys No. 57, is farther to the south, but practically in the same territory. When the strainer was set in this well on the 14th the oil came up between the six-inch casing and the eight-inch pipe, which had been set almost down to the strainer, and sprayed up into the derrick, making a display that led some of the newspapers to refer to it as a gusher, good for 1500 to 3000 barrels.

When the four-inch pipe, which had been used in setting the strainer, was pulled out of the hole on the afternoon of March 15, the well stopped flowing and it will be rigged to pump. A gas pocket was probably responsible for the exhibition that occurred when the strainer was set. At no time did the well flow up through the inside of the six-inch casing.

The territory proved by these wells is 400 feet or more from the National Oil and Pipe Line well, which came in flowing several weeks ago. Across the right of way, west of the new wells, is the old hole drilled by the Buffalo Oil Company in 1901. The Buffalo well was drilled to a depth of about 2000 feet; but as no test was made of any loose sand formations, the pay found in the Nelson and Guffey wells was not developed. It is probable that a number of wells will be sunk shortly, both on the east and west sides of the railroad, and there is nothing to prevent the railroad from drilling on its right of way, if it owns it. The Southern Pacific tracks are not very far from any of the Southeast Texas fields, but this is the first instance in Texas where the company's right of way has been proven, as it seems to be.

The sand in the two new wells is

loose and rather shallow. It is understood that there is less than twenty feet of it. It may be only a pocket, formed by seepage from the main pool on the hill. Again, it may extend for a considerable distance to the west and south. Previous development in the flats—this being in that territory—has not not been very satisfactory. Some ten or twelve wells were drilled on and around the Trembly acre, which was the first to be tested in the flats, and of these only two are producing. Several of them came in flowing, but water soon cut them off. This development is only a year old.

North of Spindletop in the Iowa Colony, where a number of tests were drilled without result during and after the boom, Hamill Brothers are sinking a well for the Warren Oil Company. It is a wildcat proposition, pure and simple, and nothing better than a loose sand is looked for. The location is in the same general territory as the Kelly-Kiser and the Texas and Pacific tests, which were sunk in 1901, and resulted in dry holes. The Warren Oil Company is a small corporation, organized by Beaumont men to prospect near Warren, Texas. The company did not follow its original purpose, but drilled a wildcat eight miles north of Beaumont, getting a dry hole. It was decided to use the balance remaining in the treasury in drilling the present test. One of the Hamil brothers—they were the contractors on the original Lucas well—drilled a well near the Warren Company's location in 1901 and passed through a sand that made a fair showing of oil. An effort will be made to develop this sand in the well now drilling.

Saratoga Well's Production Exaggerated.

Operations in the Saratoga district during the present month have not resulted in any development of special note. The Guffey well on the Brice half acre, persistently reported in the newspapers to be making 2500 barrels, is doing between 400 and 500 barrels.

Heavy Oil on the West Side at Batson.

At Batson the two Ennis & Solinsky wells on the Josephine Milhome tract are together making about 300 barrels. The oil is heavy, being 17 gravity, Baume. This grade of oil seems to be the rule on the west side.

Good Well on Texas Farm at Sour Lake.

Sour Lake production has been helped by the bringing in of the No. 43 on the Texas Company's farm. It is located in front of the hotel near the old No. 3, which was one of the wells which proved the property in January, 1903. The No. 43 made about 2500 barrels at the start off and is now said to be good for 1600 to 1800 barrels a day. One of the Minor Oil Company's wells on the northwest side, which had been blowing dry gas for several days, began to show oil on the 15th was making 240 barrels. Sour Lake production on March 15 was put at 10,500 barels.

No Improvement at Matagorda.

The situation at Matagorda has not improved. The field is making about 200 barrels of oil a day. I. E. (Farmer) Dean, who has operated exclusively at Matagorda the past year, is producing in the Humble field. His company, the Big Hill Oil and Fuel Company, has one well which is making about 1200 barrels of oil and considerable salt water.

JENNINGS HAS THE DEEPEST WELL IN THE GULF COAST OIL TERRITORY.

Jennings has the deepest well in the Gulf coast oil country. It is the Crowley Oil & Mineral Company's Latreille No. 1, on the hill southeast of the early development. Its depth is approximately 2500 feet, and nearly nine months were spent in getting down the last 1300 feet.

An oil sand was encountered in this well near the 2500 foot level and a screen was set in it. Salt water came in with the oil and drowned the well out. However, while it flowed it made from 300 to 400 barrels of oil a day, the amount of water being from 6000 to 7000 barrels.

There is every reason to believe that the sand found in this well at 2500 feet is the same sand in which the gushers on the Arnaudet, a quarter of a mile to the northwest, are finished at 1950 feet, indicating a dip to the southeast from the apex of the anticlinal in the center of the old field where the production is obtained from the sand at 1750 to 1850 feet. Drilling on the deep well was begun last July and the screen was set the first week in March. It stopped flowing on March 14. The territory proven by this well doubles the area of the Jennings field. The drilling was in charge of Lake Grow. It was decided to make a deep test and a well which had been abandoned at 1200 feet was selected for the purpose. Much hard rock was encountered and it was necessary to build a standard rig and use cable tools a part of the time.

The production of the Jennings field has been boosted again to about 40,000 barrels by the coming in of the Moonshine No. 5 on the Home half acre on March 13. It has been making 7,000 to 8,000 barrels. The Lovegrove & Macintosh well which was dead for several weeks started flowing on the 11th and is making about 4,000 barrels.

Tierce No. 4 was completed but did not gush, lacking gas pressure. An effort will be made to flow it with air. Morse No. 12 also failed to come in a gusher and will be pumped with a standard rig.

Carnes, Bass & Benckenstein started to set a three inch screen through a string of 4 inch pipe in their No. 5 on the Lyons lease. When almost at the bottom the screen got stuck and in pulling it out the back-off nipple broke and left the screen in the hole. So far they have not succeeded in pulling it out.

Teter No. 1 only gushed about a week. The Teter Company is now building standard rigs over both the wells.

The Wilkins No. 3 stopped gushing. Compressed air from the Jennings and a standard rig has been built. Oil Company's plant will be tried before the well is put on the pump.

The Morse Oil Company will drill some of its old wells deeper.

The Heywood Oil Company twisted off the 4 inch drill stem in its No. 11 well. A standard rig has been built over the Heywood Company's No. on the Noble & Keoughan lease.

The Morse Oil Company, Harry Fillman, John Champion, Bass & Benckenstein and the Heywood Oil Company are all tied up in fishing jobs. No new wells have been started.

HEYWOOD OIL COMPANY'S FOURTEENTH DIVIDEND.

The Heywood Oil Company paid its fourteenth dividend on March 15, the amount being $3 a share (3 per cent), or a total of $24,000.

Accompanying the dividend checks was the following letter from President W. C. Tyrrell:

To the Stockholders of the Heywood Oil Company:

We are herewith handing you our check for three dollars per share, for stock standing in your name on our books March 10th, 1905, being dividend No. 14.

Since paying our dividend in December we have produced and handled a large quantity of oil, but prices of fuel oil are low. We are expending considerable money in developments, having secured lands in different parts of the Humble oil field, and we are now sinking three wells at Humble and one at Jennings. We have our steel tankage full of oil, and about a half million barrels in earthen tankage at Jennings.

Our annual stockholders' meeting will be held April 11th, when we will send you our annual statement.

COMPROMISE PIPE LINE BILL REPORTED FAVORABLY BY THE HOUSE COMMITTEE.

As forecasted in the last number of the Journal, the Decker bill, proposing to limit pipe line companies in Texas to the business of transporting and storing oil, passed the senate at Austin and went to the house, where it was referred to the committee on private corporations.

Following the senate's action a conference was held at Beaumont between representatives of the producers who supported the Decker bill and officers and attorneys of the Texas Company and the J. M. Guffey Petroleum Company, with the result that a compromise bill, embodying features of both the Decker bill and the original Myrick bill, was drawn and sent to Austin to be submitted in the house committee for all the measures previously submitted. Among those present for the producers at the conference were I. R. Bordages of the Minor Oil Company, S. W. Pipkin of the Paraffine Company, W. C. Tyrrell of the Heywood Oil Company, Mally Eastham of the Maryellen Company, and Attorney R. A. John. For the pipe lines there were present J. S. Cullinan of the Texas Company, and his attorney, J. L. Autry, C. H. Markham of the J. M. Guffey Petroleum Company, and Attorney R. A. Greer.

The compromise bill was favorably reported by a majority of the house committee as a substitute for the Decker bill on March 13, and it is expected that it will be called up for consideration in the house next week. A minority report from the house committee recommended the Decker bill.

In the compromise bill the section proposing to allow oil companies to incorporate for all the various purposes of the business—producing, buying, selling, transporting, storing and refining—is retained, and is known as Section 1. The balance of the measure is patterned largely after the Decker bill. The eighth section, requiring pipe lines to take all oil in merchantable order that is offered to them, except in cases where more is offered than can be handled, was prepared by the producers. In the event that the supply of oil exceeds the capacity of the lines, the companies are to take a proportionate amount from each producer.

A penalty of $1000 for each and every violation of the provisions of the bill is stipulated in section 20.

The full text of the compromise bill follows:

A bill to be entitled An Act to authorize the formation of domestic corporations for the purpose of prospecting for and producing, for buying and selling oil, for refining, manufacturing and converting oil into commercial products and selling such products, and for the purpose of transporting and storing oil; and to declare pipe line and storage concerns public carriers, and to confer upon such the right of eminent domain; and to fix maximum charges for transportation and storage, and to confer on the railroad commission power and authority to regulate charges for transportation and storage, and to adopt rules and regulations governing the same, and to provide penalties for the violation of the provisions of this act and the rules of the railroad commission.

Be it enacted by the Legislature of the State of Texas:

Section 1. That hereafter domestic corporations may be organized for any one or more, or all, of the following purposes:

First. Prospecting for and producing oil.

Second. For the purpose of buying and selling oil.

Third. For the purpose of refining oil, and manufacturing and converting oil into commercial products and selling such refined or manufactured products.

Fourth. For the purpose of transporting and storing oil.

Sec. 2. The manner and method of organizing such corporations shall be the same as now provided by law for the organization of private corporations in Chapter 2, Title XXI, of the Revised Civil Statutes of the State of Texas of 1895, and the acts amendatory thereof or supplemental thereto. All corporations chartered under this act shall have all the powers given to corporations by Chapter 3, Title XXI, of the Revised Civil Statutes of Texas of 1895, and all acts amendatory thereof or supplemental thereto.

Sec. 3. Such corporation hereby authorized may include in its charter any one or more, or all, of the purposes mentioned in section 1 of this act, but the charter, when filed, shall set forth which one, or which ones, if more than one, of said purposes it desires embraced in its charter; provided, that, by amendment to its charter, any corporation organized under this act may embrace within its charter one or more of said purposes not embraced in its charter as existing at the time of such amendment.

Sec. 4. Where such corporation is chartered for the purpose of transporting and storing oil alone, or together with any one or more of the other purposes hereby authorized, it shall have the power to lay down, construct, maintain, lease and operate pipe lines, tubes, pump stations, connections, fixtures, tanks, store houses and such machinery, apparatus, devices and arrangements as may be necessary to operate such pipe lines between different points in this State, or elsewhere, and to acquire, own, lease and hold, use, convey and occupy such land, right of way, easements, franchises, buildings and structures as may be necessary or convenient to the purposes of such corporation, including the right to erect, lease and maintain such telegraph and telephone lines and stations as may be convenient to the operation of the plant. It shall also have the power to own, charter and operate ships, barges and vessels of all kinds for transporting its own oil by water.

Sec. 5. Where such corporation is chartered for the purpose of transportation and storage of oil, or for that and any other one or more of the other purposes hereby authorized, it shall have the right and power to enter upon and condemn the lands, rights of way, easements and property of any person or corporation for its pipe lines, pumping stations and sites necessary for their storage and measuring tanks and shall have the right to lay its pipe and pipe lines along, across and under any public road, or along, across or under any railroad right of way, street railroad, canal or stream in this State, and to lay its pipe and pipe lines across or along and under any street or alley of any incorporated city or town in this State, with the consent and under the direction of the board of aldermen or city council of such city or town. The manner and method of such condemnation shall be the same as provided by law in the case of railroads; provided, however, that the right of way sought to be condemned for pipe line purposes shall not exceed twenty (20) feet in width.

Sec. 6. Such pipe or pipe lines shall not pass through or under any cemetery, church, college, school house, residence, business or store house, or through or under any building in this State except by the consent of the owner thereof; and all such pipe and pipe lines, when the same shall pass through or over cultivated lands of another, shall be well buried, at least twelve (12) inches beneath the surface, and such surface shall be properly and promptly restored by such corporation, unless otherwise consented to by the owner or owners of such land; and if such pipes or pipe lines shall be laid over or along any uncultivated or unimproved lands of another, and such lands shall thereafter become cultivated and improved, such pipes or pipe lines shall be buried to a depth of twelve (12) inches by such corporation, within a reasonable time after notice by the owner of such land, or his agent, to such corporation or agent thereof.

Sec. 7. Whenever such pipes or pipe lines shall be laid along or shall cross any public road, highway, railroad, street railroad, or street or alley, such pipes or pipe lines shall be so buried and covered as not to interfere with the use and occupancy of such road, highway, street or alley by the public, or the use and occupancy of such railroad or street railroad by the owner or owners thereof, and such pipe lines so laid shall not exceed ten (10) inches in diameter.

Sec. 8. Every public carrier of petroleum oil by means of a pipe line, or lines, is hereby required to accept all such oils offered to it in merchantable order at its line or lines, in quantites of not less than fifty barrels of forty-two gallons each; and is also required to accept all such oils offered to it in merchantable order from suitable settling tanks, at the well or wells producing same, said wells being located in a producing oil field, into which the said public carrier has projected, laid or constructed a pipe line or lines, and shall within a reasonable time transport and deliver the said oil to said owner or assigns at any delivery station, on any of its lines which may be designated by said owner, which said designation shall be made within five days from the time the oil is received by the pipe line, or shall, if required so to do by said owner or assigns, store such

oils in storage tanks at such place or places where it has storage (at or near said line or lines) as may be designated by said owner or assigns; provided that such well or wells shall yield at least an average daily production of fifty barrels of oil, and when less quantities are offered, special arrangements for connections and transportation may be mutually agreed upon between such owner and public carrier; and provided, further, that when more oil is tendered than the capacity of its lines, it shall be required to take the oil so offered, as its capacity will permit, daily from each person, association of persons, firm and corporation, proportionately.

Sec. 9. It shall be the duty of any public carrier under the provisions of this act for the purpose of conducting a transportation and storage business only, or together with any one or more of the other purposes hereby authorized, and also the like duty of all public carriers of oil, persons and concerns doing such business and subject to the terms of this act, to receive all oil for the public as may be tendered to it on its lines then completed, and make proper delivery to the owner of such oil upon its said lines, and to provide all proper measuring tanks to effect such result; provided, that such pipe line concern shall be required to receive for transportation or storage all oil of 17 degrees Beaume or over, which is properly settled and of merchantable quality; provided, further, that such corporation shall have the right to charge a reasonable sum for the transportation and storage of oil, not greater than the maximum rates fixed herein; and no such corporation shall discriminate against any person, corporation, firm or association of persons in the receiving, transporting, storing and delivering of oil, but shall receive, transport, store and deliver oil for all persons, firms, corporations and associations of persons on equal terms and charges. It is expressly provided, however, that in furnishing and providing facilities, reasonable care and diligence only shall be required of the pipe line, and such must be afforded to the full extent of the capacity of the lines and storage. And the owner, or his consignee, at his expense, shall have the right to connect with such delivery tanks for the purpose of receiving said oil, proper openings at such tanks must be provided by such pipe line concern for such connections.

Sec. 10. It shall be the duty of every corporation and other pipe line concern under the provisions of this act to make proper arrangements and connections whereby oil in one line may, upon demand of the owner, be transferred and delivered into the lines of any other pipe line concern doing business for the public for hire, and proper measuring tanks adapted to this purpose shall be provided at any common point at which each have or shall hereafter establish delivery station, at the joint and equal expense of the two pipe line concerns. Such pipe line concerns under the provisions of this act shall also establish, make and maintain a loading rack upon at least one railroad at such station at which it has storage or delivery facilities, so that oil may be there promptly and safely delivered for shipment by cars, and shall upon proper demand, load oil for the public on all vessels and other water craft where they have or shall hereafter establish delivery stations.

Sec. 11. That the maximum rate for transporting oil under this act shall not exceed five cents per barrel of forty-two gallons for the first five miles or less (including gathering), and one-fourth of one cent per mile after the first five miles; provided, that the maximum rate for any distance not exceeding one hundred miles, shall not exceed twenty-five cents per barrel; and provided, that for any distance beyond the first one hundred miles the rate shall be reasonable, and may be fixed between the parties. That the maximum charge for storage allowed to be charged under this act shall not exceed thirty-three and one-third cents per one thousand barrels per day; provided, that storage charges shall be a on the first day of the month following receipt of the oil by the pipe line.

Sec. 12. The provisions of this act shall not apply to corporations chartered under the laws of any other State of the United States or any foreign government.

Sec. 13. Such corporations shall have the right to borrow money, to issue stock and preferred stock, to mortgage its franchises and property to secure the payment of any debt contracted for any of the purposes of the corporation, and shall possess all the rights and powers of corporations for profit in this State wherever the same may be applicable to corporations of this character.

Sec. 14. Any corporation heretofore incorporated under the laws of Texas, and exercising any one or more of the purposes of this act, and upon accepting the provisions of this act in writing, under the seal of the corporation, specifying the purposes, filed in the office of the Secretary of State, shall thereupon become and be a body corporate hereunder, and shall be entitled to possess all the provisions, franchises and powers conferred by this act upon corporations created hereunder.

Sec. 15. All corporations incorporated under the provisions of this act, and all other persons and concerns subject to its terms, shall be required at all times to keep on hand in its lines or tanks an amount of oil not less than the total amount of its credit balances and certificates, held for third parties, and the Railroad Commission of Texas shall have the right, by its agents, to examine the books of such companies and their stocks of oil on hand at any time, to ascertain if such requirement is being complied with.

Sec. 16. In the event of loss by fire, by the act of God or public enemy, of oil in the custody of such corporation or person subject to this act, the amount of loss occasioned thereby shall be borne pro rata by the owners of all oil in the custody of said corporation or person, including their own, if any.

Sec. 17. All persons, corporations, firms or associations of persons, who may now or hereafter be engaged in the business of transporting or storing of oil for hire, shall either incorporate under this act or file with the Secretary of State of the State of Texas an agreement in writing, duly executed, to be bound by the provisions of this act, and in such event all the terms of this act shall fully apply.

Sec. 18. Every corporation, person, firm or association of persons which may now or hereafter be engaged in the business of transportation and storage of oil for persons or concerns for hire, other than themselves, shall be deeme carriers, and within all the term law and subject to all its provis

Sec. 19. The Railroad Comm the State of Texas is hereby ves full power and authority to fix ulate the reasonable charges transportation and storage of exceeding the maximum rates this act) by or through any p subject to the provisions of this it shall be its duty from time to adopt all proper rules and re governing the connections of s lines with the wells or tanks of ducer or owner of crude oil, and ceiving, transporting and storing oil, and to adopt all proper r regulations governing the deli such oil by said pipe lines by or said lines back to the owner of or to such party as such ow designate, and to fix the ter conditions under which such shall be made, the points whe shall be made, and to fix the ch such connections, transportation, and deliveries, and to investig enforce such rules and regulatio providing further, that all corp chartered under this act, or that come subject to its terms, shall the Secretary of State, with its of incorporation or amendmen charter accepting the terms of a written acknowledgment, du cuted by said corporation or p the effect that it will admit th diction of the Railroad Commi Texas.

Sec. 20. Any corporation inco under the provisions of this act, ject to its provisions, or any p firm subject to this act, willfully ing any of the provisions of this ulating the receiving, transportin ing or delivery of oil, or of the regulations of the Railroad Com of Texas governing the receiving porting, storing or delivery of oil ed by such Commission under t visions of this act, shall forfeit State of Texas a penalty in the one thousand dollars for each an such violation, which may be r by suit instituted for that pur the District Court of Travis Texas, by the Attorney General State of Texas; provided, that not prejudice the right, if any, of aggrieved, if any, to assert his re

Sec. 21. All the provisions of other than Section 19, shall be severable from Section 19, and s be determined in the courts fina the Railroad Commission of th can not legally perform the du posed upon it by this act, or sho Railroad Commission, for any fail or refuse to assume jurisdi set forth in this act, yet, neve this act shall be deemed va forceable as to all the other pr contained in this act.

Text of the Minority Repo

Following is the text of the ity report, opposing the comp bill as recommended by a maj the House committee, and fa the Decker bill, or Bryan bi which the compromise bill wa stitued by the majority:

We, the undersigned, beg leave sent from the report of the co recommending the amendment to bill No. — (the compromise bil

recommend that the amendment be not adopted and that the original bill as passed by the Senate be reported favorably with the recommendation that it do pass, for the following reasons:

First. The amendment reported by the committee seeks to authorize the incorporation for the multiform purposes of (1) prospecting for and producing oil; (2) buying and selling oil; (3) refining oil; (4) manufacturing and converting oil into commercial products and selling such products; (5) transporting oil for itself and for hire by others by pipe lines; (6) storing oil; (7) owning and operating telephone and telegraph lines, and (8) own, charter and operate ships, barges and vessels of all kinds for transporting oil by water.

These are exactly the functions now exercised by the Standard Oil Company, and would, if permitted to be exercised under one charter in Texas, inevitably lead to the control of the Texas oil fields by the Standard Oil Company or a similar trust formed under this bill.

All parties who appeared before the committee admitted that the Standard Oil Company is operating in Texas under another name.

The present incorporation laws permit incorporations for the purpose of producing oil, and necessarily for all purposes that are properly incident thereto; consequently the only possible object of this amendment is to extend the corporate powers beyond the purposes incident to the production of oil.

While transporting one's own oil to market may be necessary, and incident to the production of oil (and if so the oil companies already have this corporate function), the transporting of other people's oil for hire, as a common carrier, is not in any way incident to or connected with the question of producing oil.

Second. Both the original bill and the amendment declare that pipe line companies carrying oil for hire are common carriers, place them under the jurisdiction of the Railroad Commission, and, in consideration for this, grant them the right of eminent domain, yet by the amendment, these common carriers would be permited to go into the field of production and compete with their shippers—a policy directly contrary to the principle of "common carrier." Railroads are given the right of eminent domain, and are permitted to transport cotton and other commodities for hire, but they are not permitted to produce cotton or other commodities in competition with their shippers. On the other hand, lumber companies and sugar companies are permitted to produce their own lumber and sugar cane, and transport same to their mills, but they are not permitted to be common carriers, for hire, of other people's lumber or sugar cane, and have not the right of eminent domain.

Third. Both the original Senate bill and the amendment seek to put the pipe line companies under the jurisdiction of the Railroad Commission, yet under Sec. 12 of the amendment no company chartered under the laws of another State would be subject to commission or any other ocontrol. The result would be that any company which already owns its pipe line right of way, and does not therefore, need the right of eminent domain, would only have to incorporate under the laws of some other State in order to be absolutely free from any of the restrictions of this law. It would restrict home corporations and exempt foreign companies.

Fourth. Section 14 of the amendment would leave it absolutely optional with any company already formed whether or not it will be bound by this law, and it is not believed to be the policy of any law to leave it optional with the parties subject to the law whether or not they will be subject to it.

Fifth. The bill as passed by the senate permits incorporation for the purpose of transportating and storage only, and leaves the question of incorporation for the other purposes to the present law. It also makes the law absolute as to all parties, with no preference to any. As to the question of rates to be charged, and control of the Railroad Commission, both bills are the same.

For the reasons indicated, we recommend that he amendment be not adopted and that the original bill be passed.

Those Who Signed Minority Report.

A dispatch from Austin to the Oil Investors Journal states that the minority report was signed by Love of Williamson, Love of Dallas, Williams, of Masterson, Peeler, Browne of Karnes, Breisford and one other.

The Cry of Standard Oil.

The statement in the report that "all parties who appeared before the committee admitted that the Standard Oil Company is operating in Texas under another name" is not accurate. The direct question as to whether the Standard or interests identified with it owned stock in any of the Southeast Texas pipe line companies was answered in the negative on every occasion when it was put to officers of or attorneys for these companies who appeared before the committee. The statement was made by one of the attorneys, in response to an inquiry as to which, if any of the companies operating in Southeast Texas was under control of the Standard, that he had heard that the Security Oil Company was a Standard concern. The attorneys who appeared in support of the Decker and Bryan bills made statements to the effect that the Standard was operating in Southeast Texas and one gave notice that he would argue the point, but neither evidence nor argument along this line was forthcoming. The talk of Standard oil influence was popular with the speakers who appeared in behalf of the Decker bill, but it amounted to nothing more than talk.

The Oil Investors Journal has absolutely no sympathy with the cry of "Standard Oil" which was raised at Austin in an effort to prejudice members of the House and Senate committees against the pipe line interests of Southeast Texas. The attempt to make conditions in Kansas and in Texas appear similar in any respect is equally unfair. The present endeavor to obtain satisfactory legislation to regulate the oil interests of Southeast Texas should have been prosecuted without appeals to prejudice or efforts to make capital cut of agitation existing in another state where the situation does not resemble in a single detail the situation in Texas.

ANOTHER ADVANCE IN CRUDE QUOTATIONS.

On March 10, the Texas Company posted an advance of 2 cents on credit balances, making the prices 18 cents for Humble, 24 cents for Saratoga and Batson and 26 cents for Sour Lake. On March 17 another advance of 2 cents was posted by this company at Humble, Batson and Saratoga oil, and an advance of 4 cents on Sour Lake oil. The Humble quotation applies on oil sold at the posted price on the same day it is run. If it is held in the line the regulations set forth in Pipe Line Notice No. 10 are effective, and 25 per cent of the amount run is reserved by the company as an emergency account from which deduction is made for waste and evaporation attending the use of open earthen storage.

The sudden decline in Humble production on account of salt water has helped the market in the older districts of Southeast Texas. Contracts have been made within the last week at Sour Lake at 33 to 36 cents and at Spindletop from 34 to 38 cents.

NOTES.

W. A. Guyton & Co. are laying pipe lines for fuel oil under some of the streets of Galveston. This firm ships oil by barge from Port Arthur to Galveston, where it has storage facilities.

In the summary of tankage at Humble, printed in the last number of the Journal, the 9,000 barrel steel tank of the Texas Company on the H. E. & W. T. Railroad was omitted by mistake. The Texas Company has 84,000 barrels of steel storage in the Humble district.

The leading article in the Petroleum World of London, England, for February 25 is made up of statistics taken from the Oil Investors' Journal of February 3, relative to the investment in the Texas oil industry and production for the past ten years in this State. The editor of the World gives this paper full credit for the figures. He says: "No paper can get ahead of the Oil Investors' Journal in the publication of a full and complete statistical statement of the situation at the end of each year."

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HOLLAND S. REAVIS, Editor and Manager.

C. A. WALSH'S ARRIVAL STIRS THE HOUSTON PIPE-DREAMER TO A FURTHER DISPLAY OF IGNORANCE.

C. A. Walsh, who had charge of Hearst's campaign in Iowa for the Democratic Presidential nomination last summer, is in Texas as the representative of the Hearst newspapers to ascertain whether the Standard is operating in this state, and if so to what extent. He appeared first at Austin, and later visited Houston and Beaumont and has returned to Austin where he is to assist C. E. Russell, one of Hearst's men from Chicago, in compiling data on the cattle industry in Texas in connection with the investigation of the beef trust which Mr. Hearst is making. It is expected that Mr. Walsh will come back to Beaumont when he is ready to begin his inquiries concerning the Standard.

In the past the news dispatches published in Hearst's papers have most flagrantly misrepresented conditions in the Texas oil fields—as, for instance, the story which was played up with a seven column scare head two years ago to the effect that the Standard had bought all the production in this state and had raised the price of crude to $1 a barrel, a figure which it has never reached. Mr. Walsh, by representing conditions as they actually exist in Texas, has an opportunity to win the appreciation of the Texas producers and operators. Apparently, he was led to believe by the sensational dispatches sent to eastern newspapers last month from points in Texas remote from the oil fields, that the operators here were worked up to something like the pitch that prevails among some of the Kansas operators. Faking correspondents did their best last month to convince the outside world that the oil situation in Texas was little better than it has been made in Kansas, through agitation. On closer view Mr. Walsh must have discovered that somebody had been lying, for the "excitement" is not here.

However, the industrious reporters have not been idle since Mr. Walsh arrived, and on the contrary some of them have made his coming the basis for a very amazing variety of fairy tales, quoting the proverbial "well-posted" and "prominent oil man" to the limit, and making him say all sorts of damphool things.

The Houston Post man, whose weird stories of a few weeks ago were shown up in the Oil Investors Journal of March 3, seems to have connected up with the gas tank again, resulting in the publication of about a column of mush on March 10, in which he set out to explain how the oil market is "fixed" in Southeast Texas. After referring to Mr. Walsh's visit he took up the usual unidentified unknown and uninformed oil man, who figures as the chief "informer" in all of the stories, and proceeded to make him say wonderful things. Here is the prize chapter of the March 10 effort:

> This gentleman, touching upon the visit of Walsh, stated that it would not be a hard matter to connect the Standard with a certain pipe line company—the Security. Nor, said he, would it be hard to connect the Standard with the Burt refinery of Beaumont.
>
> "It will be noted," continued this gentleman, "that the Security company has already announced that it will not build a line to the Humble field. On the other hand, it will be noted that two other big companies—the Texas and the Guffey—are not competitors any longer, notwithstanding that some months ago it was avowed these concerns were fighting each other. It will be noted further that they have even pooled interests and own jointly the pipe line running from Humble to Batson, and also that they deliver oil to the Security company, and that the Security company delivers oil to the Burt refinery, or the bulk of it. Really, the Security company and the Burt refinery fix the price of oil.
>
> "Now the producers at Humble are getting only 16 cents a barrel for their oil. They deliver it to the pipe lines, and it is transported by them to the refineries and seaboard. There is no doubt but that there is an understanding between the Standard company and these pipe line companies as to the price that shall be paid for the oil delivered at the refinery or at the seaboard."

Everybody in Southeast Texas knows that the Security Oil Company is not a pipe line company. It owns pipe lines in which it transports its own oil, but it has never piped a barrel of oil for hire and its pipe line system is merely a part of the equipment of its refinery, located in South Beaumont. Every oil man knows that the Security as a rule pays the highest price that is paid for crude in Southeast Texas. If it is true that the Standard interests are in it then the Standard Oil Company has nothing to be ashamed of in Southeast Texas, for the Security Oil Company has proved a most desirable factor in the oil industry of this section.

The Guffey and the Texas Companies do not deliver oil to the Security Oil Company, nor have they ever done this. One of the concessions asked for by certain producers at Austin during the consideration of the pipe line bills in the committees of the legislature, was a section of to compel the pipe lines to deliver oil to each other at common points.

Read this tommyrot: "* * * The Security Oil Company delivers oil to the Burt refinery, or the bulk of it. Really, the Security Company and the Burt refinery fix the price of oil."

The confession of ignorance is the key to the whole story—the reporter didn't know what he was writing about. There is no Burt refinery. The plant known formerly as the Burt refinery is the Security Oil Company's plant. The Security Company delivers all of its oil to its own tanks. The last paragraph of the interview is the usual wind-up. It finishes up strong with a "no doubt" etc., etc. Those "no doubts" go well with the reader of the newspapers who is as ignorant of the facts as the man who writes the stuff, but they sound silly to the oil men who know that the oil market of Southeast Texas is not fixed by any one concern or association of concerns, but by the hundreds of fuel oil consumers who buy where they can buy the cheapest from a hundred different sellers.

If the Houston Post man would go out among the Humble producers a ask them how they sold their oil he would get a lot of light that he needs very badly on the subject. He would find that many of them hunted up the representatives of the pipe line companies and asked to have their oil run at prices ranging from 10 to 15 cents a barrel and that they did this weeks before their wells were due to come in.

It will take something bigger than the Standard Oil Company to fix a steady price on oil in a territory where gusher pools come in and for a time make 75,000 to 150,000 barrels a day.

J. D. Henry, editor of the Petroleum World, London, has gone to Baku, Russia, where the conditions in the oil industry are said to be anything but satisfactory.

OIL INTERESTS UNITED IN OPPOSITION TO WILLIAMS AND KENNEDY TAX BILLS.

Southeast Texas has not been excited at any stage of the game over the proposed oil company legislation, and the little interest which has been manifested in the subject has given way entirely to a more immediate and vital matter which is recognized as a menace to the whole oil industry—the Williams and Kennedy tax bills. These measures seek to provide methods of raising funds to meet the deficit in the State's revenues, and for this purpose they propose to tax corporations doing business in the State. Both have been passed by the house and are now in the senate committee.

The Williams bill provides for a State board which shall ascertain the market value of the outstanding stock and bonds of each corporation. The difference between the total value represented by such market value and the actual returns of taxable property made by the corporation—styled "intangible assets"—is to be taxed at rates provided for in the measure. The Kennedy bill proposes to levy a tax on the gross receipts of corporations engaged in various industries. In the oil industry the original proposition was to impose a tax of 2 per cent on all oil produced. This was later cut down to 1 per cent. Oil run through pipe lines is to be taxed 2 per cent and refined oil is to bear a similar burden.

Chamber of Commerce Urged Defeat of Bills.

Several weeks ago the fight on the bills was started in Beaumont through the instrumentality of Manager C. L. Wallis of the Higgins Oil and Fuel Company, who recognized the dangerous character of the proposed legislation. A meeting of the Chamber of Commerce was held and the following resolutions were adopted:

Resolved by the Beaumont Chamber of Commerce, That Senator John T. Beaty is hereby requested to oppose the enactment in the senate of what is known as the Williams intangible tax bill, as we consider the same discriminating, unjust and unequal and possibly unconstitutional, and will result in stagnation of enterprises now under way, and contemplated investments in our State, and will undoubtedly raise the rate of interest on borrowers and thus prove a detriment to the upbuilding of this State.

Recognizing the fact that Texas is on the even of the greatest wave of prosperity ever known, it would be unwise to enact any legislation that would cripple or retard her growth at the present time, and on the other hand, every encouragement should be given to parties seeking investments and homes in Texas, and the lowest rate of interest secured to enable them to accomplish this end, and we appeal to every fair-minded representative in the house and the senate to oppose the passage of this bill.

Resolved, That the Chamber of Commerce of the city of Beaumont protests against the passage of what is known as the Kennedy gross income tax bill in so far as it relates to oil producers, refiners and companies, as we believe that should such a law be enacted it would result in great injustice to the oil interests of Texas (which are now among the largest ad valorem taxpayers in the State) and would place the producer and refiner at a great disadvantage in competing for trade with our competitors in Louisiana, Indian Territory and Kansas, as under the interstate commerce act producers outside of the State of Texas could sell and ship to the trade in Texas without paying one cent of taxes to the State.

Should such a law be enacted the refiners outside of the State could sell in the State without paying any tax and the refiners doing business in the State would naturally equalize this disadvantage by paying less to the producers for the oil.

Therefore, for these and other reasons, we respectfully urge our representatives in the house and the senate to oppose such unfair and unjust discrimination against an industry that is already paying heavy taxes, and ask other legislators in the State to likewise oppose such unjust legislation as will result in crippling comparatively a new industry that contributes so much for the upbuilding to the manufacturing interests of Texas and by means of cheap fuel and light.

Oil Industry Already Heavily Assessed

Representatives of the oil and other industrial interests of Beaumont went to Austin and appeared before the house committee in opposition to the bills. The fight will now be continued in the measures in the senate. One of the strongest arguments against the placing of additional taxes on the oil industry was presented by Tax Collector Rufus D. Kent of Jefferson county, who took with him to Austin a copy of the tax roll showing State and county taxes assessed against oil companies in Jefferson county in 1904. The list showed a total of $51,217.66 assessed against the oil companies, being nearly one-quarter of all taxes assessed in the county, the total being $230,409.04. The rate was 92 4-15 cents on every $100 valuation, indicating that the oil companies were assessed on a basis of approximately $5,000,000. This does not take into account the assessments in Hardin county, where the Sour Lake, Saratoga and Batson oil fields are located, the only oil field in Jefferson county being Spindletop.

Taxes Imposed on Oil Companies in Jefferson County.

The list of oil companies assessed in Jefferson county last year—some of them have since gone out of business—with the amount of taxes each was required to pay, follows:

Acme Oil and Fuel Co.....	$24 51
American Land and Oil Co.	323 78
American Oil and Refining Co	617 72
Apex Oil Co	84 64
Beaumont Geyser Oil Co...	264 93
Beaumont Oil and Pipe Line Co	178 08
Big Four Orange Co.....	276 80
Boss O. Co	42 03
Buffalo Oil Co.....	60 01
Capital City Oil Co.....	37 71
Carroll Oil and Drilling Co	41 48
Cartwright Oil and Developing Co	419 36
Citizens Consolidated Oil Co	197 65
Corsicana Refining Co.....	53 18
Crowley-Beaumont Developing Co	43 36
Dixie Oil Co	56 25
Equitable Land and Oil Co.	209 27
Export Oil and Pipe Line Co	127 65
Gladys City Oil, Gas and Manufacturing Co	1,327 06
Gladys City Oil, Gas and Manufacturing Co	4,242 00
Grace Oil Co	55 63
Heywood Oil Co.....	642 85
Higgins Oil and Fuel Co...	3,476 86
Hogg-Swayne Syndicate....	329 93
Houston Oil Company of Texas	230 10
Houston Oil Company of Texas	678 44
Independence Oil Co.....	40 54
Kansas City Oil and Pipe Line Co.	223.46
Lone Star and Crescent Oil Co	1,269 41
National Oil and Pipe Line Co	772 75
New Dominion Oil Co	40 22
Neches Oil and Development Co	43 36
Orleans-Beaumont Oil Co...	45 09
Oteri Oil Co	94 27
Rio Bravo Oil Co.....	119 72
Sabine Oil and Marketing Co	149 53
Security Oil Co.....	11,502 82
Star Petroleum Co.....	165 85
Sun Co.....	2,444 32
Texas and California Oil and Refining Co	84 84
The Gulf Refining Co	6,480 81
The Texas Co	4,526 65
J. M. Guffey Petroleum Co..	8,470 12
United Oil and Refining Co.	566 06
Texas Oil Fields, Ltd.....	136 56
Total	$51,217 66

Passage of the Bills Would Demoralize the Oil Industry.

It is stated by the managers of the various large companies doing business in Southeast Texas that the imposition of any such tax as that proposed in the Kennedy bill would be ruinous and that it would discourage further investments by local and outside capital in the Southeast Texas oil industry. It would also depress the stocks and bonds of all companies operating under the ban of such taxation and would demoralize the business in other respects.

SHIPMENTS OF OIL FROM PORT ARTHUR

DATE	RIG	NAME OF VESSEL	LOADED BY	CONSIGNEE	DESTINATION	GRADE	Quantity in Barrels
Mar.							
1	S. S.	J. M. Guffey	Gulf Ref. Co.	Gulf Ref. Co.	Baltimore	Crude	16,658
1	"	" "	" " "	" " "	"	Solar	3,725
1	Barge	Barnes	J. M. G. Pet. Co.	Cow Bayou Co.	Sabine River	Crude	636
2	"	Shenango	Gulf Ref. Co.	Gulf Ref. Co.	Gretna, La.	Crude	24,965
3	S. S.	Maverick	Texas Co.	Standard Oil Co.	Brooklyn	Distillate	9,366
3	"	"	" "	" " "	"	Crude	1,730
3	"	Northman	Nat. Oil & P. L. Co.	" " "	Constable Hk.	Crude	23,331
5	"	Florida	Texas Co.	Fuel use		Crude	1,100
7	"	Northtown	" "	Standard Oil Co.	Constable Hk.	Crude	22,121
10	"	Col. E. L. Drake	" "	" "	" "	Crude	39,147
11	"	Bulysses	Gulf Ref. Co.	Gulf Ref. Co.	Dover, Eng.	Refined	59,183
11	"	Ligonier	" " "	" " "	Gibson's Pt.	Crude	12,044
11	"	"	" " "	" " "	" "	Solar	14,777
11	"	"	" " "	" " "	" "	Lubr. Oil	2,300
11	"	"	" " "	" " "	" "	Asphalt	1,900
11	Barge	Flyton	Texas Co.	Texas Co.	New Orleans	Crude	7,482
11	"	Providence	" "	" "	" "	Crude	20,017
11	S. S.	Florida	" "	" "	" "	Crude	11,642
11	Barge	Clark No. 3	" "	W. A. Guyton	Galveston	Crude	5,[illegible]
11	"	"	Nat. Oil & P. L. Co.	W. A. Guyton Co	"	Crude	2,2[illegible]
13	S. S.	Winifred	Gulf Ref. Co.	Gulf Ref. Co.	Bayonne, N. J.	Solar	14,7[illegible]
13	"	"	" " "	" " "	" "	Crude	6,8[illegible]
13	Barge	Conneaut	" " "	" " "	" "	Refined Oil	18,0[illegible]
15	S. S.	Larimer	" " "	" " "	" "	Solar	12,[illegible]
15	"	"	" " "	" " "	" "	Asphalt Oil	1,8[illegible]
15	"	"	" " "	" " "	" "	Crude	12,7[illegible]
15	"	"	" " "	" " "	" "	Lubr.	2,[illegible]
15	"	"	" " "	" " "	" "	Asphalt	[illegible]
15	"	"	" " "	" " "	" "	Refined	[illegible]
15	Barge	Shenango	" " "	" " "	Gretna, La.	Crude	24,[illegible]
15	S. S.	Northwestern	Nat. Oil & P. L. Co.	Standard Co.	Philadelphia	Crude	23,[illegible]
			Total March 1 to 15				398,[illegible]

SHIPMENTS OF OIL FROM SABINE

DATE	RIG	NAME OF VESSEL	LOADED BY	CONSIGNEE	DESTINATION	GRADE	Quantity in Barrels
Mar.							
1	Barge	Spindletop	Higgins O. & F. Co.	Higgins Co	Morgan City, La.	Crude	3,6[illegible]
4	"	No. 92	Security Oil Co.	Standard	New York	Water W.	11,347
4	"	No. 92	Security Oil Co.	Standard	New York	Gas Oil	18,4[illegible]
11	"	Spindletop	Higgins O. & F. Co.	Nat. O. & P.L.Co	New Orleans	Crude	4,319
11	"	No. 95	Security Oil Co.	Standard	New York	Crude	48,6[illegible]
14	S. S.	Roma	Sun Pipe Line	Sun Co.	Marcus Hk.	Crude	28,7[illegible]
15	Barge	No. 81	Security Oil Co.	Standard	New York	Refined	13,8[illegible]
			Total March 1 to 15				128,975

SENATE ASKS THE ATTORNEY GENERAL TO INVESTIGATE.

The Texas senate on March 10 adopted the following resolution, signed by Senators Decker, Harper and Davidson:

Whereas, a prominent citizen of Texas has made a statement in the Austin Daily Statesman concerning the oil and pipe line companies chartered under the laws of Texas, in which he says:

"Every company of any consequence now engaged in the development of the Texas fields is operating in the several branches of the oil business; that is to say, the produce, buy, sell, transport and refine oil, and have invested heavily in these several departments of the business."

And, whereas, it is the settled policy of this State to limit purposes for which corporations may be organized to such only as will not tend to create or promote monopolies and combinations; therefore, be it

Resolved, That the attorney general is respectfully requested, if not inconsistent with his other duties, to inform the senate:

First—What, if any, corporations have been chartered with privileges to produce, buy, sell, transport and refine oil, or what, if any, corporations in addition to buying and transporting oil have chartered rights to either produce or refine oil.

Second—What, if any, statute authorizes a corporation chartered for the purpose of transmitting oil to also produce or refine oil. And in the event that it be found that no corporation has the authority under its charter rights to engage in the several lines of business before named; then, be it further

Resolved, That the attorney general is respectfully requested to take such action as he may deem proper in order to prevent such corporation from exercising the illegal powers named in said interview.

To date there have been no developments as a result of the adoption of the foregoing resolution.

D. D. Lancaster, who was in the brokerage business at Beaumont, in 1902, and later engaged in the same business in St. Louis, visited Houston and Beaumont last week. In the last two years Mr. Lancaster has devoted all his time to the exploitation of the San Domingo petroleum field. His company has obtained a lease from the government of the island in about 225,000 acres and has drilled one well which developed oil in goodly quantities. Plans are being worked out to establish a storage station at Azua, near the oil field, where tank steamers may load the oil.

A solid front will be presented by all the interests of Southeast Texas, producers, pipe line companies and refiners, against the enactment of either the Williams or Kennedy bills into law.

A LETTER FROM W. H. GRAY ON THE PIPE LINE BILLS.

W. H. Gray of Beaumont, formerly County Attorney of Jefferson County, has been at Austin since the beginning of the present session of the Legislature, and has probably been more active than any other person in opposing legislation desired by the pipe-line companies. He has been correspondingly active in his support of the Decker and Bryan bills, representing the effort to limit pipe lines to the business of transporting and storing oil and to prohibit them from carrying on the other departments of the oil industry, such as producing, buying and selling and refining. Mr. Gray is not in the oil business. He has been active in local and county politics in Beaumont for several years, and it would appear from statements made by him in a letter to the Oil Investors Journal, received March 16, that his fight on the pipe line companies is political to some extent. At his request the letter is printed; some conjectures, expressed by him, being omitted:

Austin, Texas, March 15, 1905.

To the Editor, the Oil Investors' Journal, Beaumont, Texas:

Dear Sir—On last Monday night the committee on private corporations of the House of Representatives met for the purpose of acting on the so-called compromise bill. There were about eleven members present, the majority of whom were in favor of reporting the compromise bill favorably. The chairman of the committee gave notice of a minority report, which was drawn, signed and filed by the members of the committee whose names are signed thereto.

Both the compromise bill and the Decker bill will be printed and brought on the floor of the House for consideration.

Much has been said of my position with reference to these two bills, and with your permission I will go on record right here. In a political fight I am not a quitter, nor do I change front. I back those who back my views. * * * I believe in the principles of the Decker bill and endorse the minority report of the House. These people are my friends. In most political fights I have finished in front, and in this fight we will finish in front, Mr. Editor, or there will be a dead heat run, and you can get down on that tip good and hard.

Thanking you, I am your friend and servant, WILLIAM H. GRAY.

ANSWERS TO INQUIRIES.

Under this heading we will answer to the best of our ability inquiries on any subject touching the Texas-Louisiana oil industry. For special private reports on companies we will charge $2 to $5, payment to be made in advance.

Michigan-Diamond Oil Company—This company has had a small production on Spindletop, but there is no prospect that it will ever make any returns to its shareholders.

Francis-Wintz Oil Company—If this company is operating in Southeast Texas it must be in the name of an individual, for we find no trace of it as a producing corporation in any of the districts. Gowen D. Francis has been in Beaumont for some time past.

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HOW TO MAKE A SURE SHOT OF IT AT HUMBLE.

There is no comfort for the superstitious in the history of the Wood & Fondren No. 1 well at Humble. The land on which it is located was bought on January 13, the contract with the drillers was made on the following Friday, the casing was set on Friday, February 10 and the well was drilled in on February 13. When it came in it made 6,000 barrels a day, and it is now doing about 4,500 barrels. There is no water in it and it has produced more than 100,000 barrels of oil. The Wood & Fondren No. 2 was started on Friday, and at the time of writing this the drillers were expecting to begin bailing on Friday, March 17—St. Patrick's day in the morning. The Wood & Fondren wells are owned by the Coleman-Williams Oil Company, of which W. L. Coleman is manager. Considering the bad luck which so many operators have experienced at Humble and the good fortune which has attended the operations of the Coleman-Williams Company it would seem that the secret of success in the Harris County field is to cultivate Fridays and get on friendly terms with the thirteenth of the month. This is a tip to the operators who have been busy bringing in salt water wells.

Keep Posted on Kansas Oil Fight

Keep posted on Kansas' fight against Standard by reading the Chanute (Kas.) Daily Tribune. Sample copies on application.

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